CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 28 May 1967

INTELLIGENCE MEMORANDUM

Arab-Israeli Situation Report (As of 1500 EDT)

- There have still been no military developments which would alter the findings of the 26 May Special Report of the Watch Committee, although the Israelis maintain a capability to attack with little or no warning if they decide to do so.
- Nasir, in his 28 May press conference, reaffirmed his earlier stand on the Gulf of Aqaba and stated that "no Israeli ship will be allowed to pass. This is an attitude of which I will never be shaken; not even an inch." Nasir stated that the basic problem is the aggression which took place and which continues to take place against the Arab nation in Palestine. He also said that relations with the United States are "extremely bad" and that there were no diplomatic contacts with the U.S. at present since the U.S. was "prejudiced 100 percent in Israel's favor." Nasir damned Canadian Prime Minister Pearson as a neo-colonialist for urging that the UN forces remain in Sinai and praised DeGaulle for taking a neutral stance in the present crisis. flatly stated that UN peacekeeping forces will not be allowed to return.

The Iraqi cabinet reportedly decided to prohibit the flow of oil to any state that participates in the Israeli aggression. cabinet also called on all Arab oil-producing states to meet in Baghdad to adopt a resolution banning the

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sale and supply of Arab oil to any country that participates in or supports the aggression against any Arab state or against sovereign Arab rights to Arab soil or Arab territorial waters, particularly the Gulf of Aqaba.

5. The Soviet Union continues to remain non-committal on its position regarding the Gulf of Aqaba. Soviet officials in several countries are expressing the opinion that hostilities can still be avoided, that Nasir is not likely to make any further military moves, and that the U.S. and USSR must try to keep both sides calm.

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The Israelis have announced the receipt of a message from Soviet Premier Kosygin to Premier Eshkol expressing Soviet anxiety about the explosive situation and urging Israel to exercise restraint. Israeli officials stated that the message was couched in "moderate" terms.

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6. The Israeli cabinet went into session at 1000 EDT this morning, but we have no word as yet on the outcome. The meeting began six hours late, perhaps as a result of dissension over Eshkol's proposal that four ministers without portfolio representing opposition parties would participate in the session. The Israeli press is now describing Foreign Minister Eban's visit to Washington as "abortive."

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